



US Department of Labor

Office of Labor-Management Standards

Office of Labor-Management Standards Obtains 131 Indictments, 103 convictions and Restitution of \$3.2 Million in FY 2008

The Department's Office of Labor Management Standards (OLMS) enforces the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA) and is the primary Federal agency with oversight responsibility for labor unions. OLMS has worked to ensure union integrity and transparency for the benefit of rank and file union members. During the past eight years, the Administration has increased OLMS staffing to strengthen the union audit program. The number of audits rose from 238 in 2001 to 791 in 2008, an increase of 232 percent. OLMS also established a public disclosure Web site at www.unionreports.gov that contains union annual financial reports and reports required to be filed by employers, labor relations consultants, and union officers and employees, as well as copies of collective bargaining agreements. The increased oversight and the expanded public access to information has improved the overall transparency and accountability of unions and better protected union member rights to which they are entitled under the law.

Criminal Case Enforcement

The Labor-Management Reporting and Disclosure Act (LMRDA) establishes criminal penalties for certain violations, such as embezzlement, filing false reports, keeping false records, destruction of records, extortionate picketing and deprivation of rights by violence. In fiscal year 2008, OLMS completed 391 criminal cases. OLMS also obtained 131 indictments, a 32 percent increase from 2001, and 103 convictions, returning to FY 2001 levels. In addition, in FY 2008, restitution was made or ordered to be paid amounting to \$ 3,244,605.

Compliance Audits

To detect embezzlement of union funds and other criminal and civil violations of the LMRDA, OLMS depends on compliance audits and investigations. In FY 2004, increased staffing enabled OLMS to establish a new unit with the express mission of increasing OLMS audit presence in international unions, thus enhancing compliance with the LMRDA. As a result of the creation of the international compliance audit team, OLMS completed 7 compliance audits of international unions, which is an increase from 1 in FY 2001. Increased staffing in field offices also allowed the agency to expand its local union audit program, which had been in steady decline as resources had been reduced over the previous decade. Despite recent budget and staffing retrenchment, OLMS completed 791 compliance audits in FY 2008, a 232 percent increase from FY 2001.

OLMS Enforcement Statistics – Financial Integrity	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Change from FY 2001
Criminal Cases Processed	371	410	317	303	332	340	406	393	+5.9%
Indictments	99	166	131	110	115	121	100	131	+32%
Convictions	102	89	152	111	97	133	118	103	+1%
Compliance Audits (CAP) Conducted	238	277	255	532	612	737	776	791	+232%
International Compliance Audits (I-CAP) Conducted	1	2	0	1	7	5	7	7	+600%

Union Financial Reporting

OLMS completed 2,016 cases to obtain delinquent annual financial reports from unions. This represents a 6.8 percent increase over FY 2001 and demonstrates the agency's continued effort to obtain union financial reports in a timely manner. Cases are opened after reports are 60 days delinquent and other efforts to obtain voluntary compliance have failed. The agency completed 799 cases seeking amended reports from unions whose annual reports failed to meet minimum standards for LMRDA reporting requirements, a 37 percent increase over FY 2001.

Electronic reporting, developed for use in FY 2002, is significantly improving the quality of union annual financial reports because of built-in edits and error checks.

OLMS Enforcement Statistics – Reporting and Disclosure	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Change from FY 2001
Delinquent Reports Cases Processed	1,888	2,244	2,369	1,909	2,050	1,949	2,088	2,016	+6.8%
Deficient Reports Cases Processed	583	647	454	781	710	672	778	799	+37%

Union Officer Election and Trusteeship Cases

The LMRDA establishes democratic standards for conducting union officer elections. OLMS investigates union officer elections upon receipt of a timely-filed complaint from a member. As a result, the number of election cases varies from year to year. In fiscal year 2008, OLMS conducted 131 investigations of alleged impropriety in union officer elections. In 44 of those cases, OLMS determined that violations of the law had occurred that may have affected the election outcome. Thirty-six cases were resolved through voluntary compliance agreements that OLMS negotiated with the unions. In the 8 cases where the unions refused to remedy the violations, OLMS filed suit in Federal district court to overturn the elections. In addition to

investigating complaints and pursuing election violations, OLMS supervised 35 rerun elections in unions found to have violated election provisions of the LMRDA.

The agency also conducted 12 investigations to determine the validity of the imposition or continuation of trusteeships imposed on subordinate bodies, representing a 5 percent increase from FY 2001. Trusteeship investigations are conducted only upon receipt of a complaint from a member or subordinate body alleging that the national union has violated the law. As trusteeship investigations are complaint driven, the number varies from year to year.